Before the **FEDERAL COMMUNICATIONS COMMISSION**

Washington, D.C. 20554

In Re)	
Service Electric Cable Television, Inc.)	Docket No. 13-68
For Modification of the)	File No. CSR-8772-A
Philadelphia, PA Designated Market Area)	
With Regard to Television Station)	
WACP, Atlantic City, NJ)	

To: The Chief, Media Bureau

OPPOSITION TO "MOTION TO STRIKE AND LIMITED SURREPLY"

Service Electric Cable Television, Inc. ("Service Electric"), by counsel and pursuant to §§ 1.45(b) and 1.4(h) of the Commission's Rules, 47 C.F.R. §§ 1.45(b) and 1.4(h), hereby respectfully opposes a "Motion to Strike and Limited Surreply" ("Motion") filed on May 2, 2013 by Western Pacific Broadcast, LLC ("Western Pacific").

Introduction – The Motion is addressed to a Reply which Service Electric timely filed to Western Pacific's Opposition to Service Electric's Petition for Special Relief, in which Service Electric had demonstrated its entitlement to a modification of the Philadelphia, Pennsylvania Designated Market Area ("DMA") for purposes of the Commission's mandatory carriage rules by excluding the cable communities listed on an attached Appendix (the "Communities") from the television market of Western Pacific's station WACP, Channel 4, Atlantic City, New Jersey ("WACP").

undersigned counsel were incorrect and any such attempted emails were never received.

¹ As indicated on its Certificate of Service, the subject Motion was mailed to undersigned counsel for Service Electric on May 2. However, although the Certificate further indicated email service, both email addresses given for

The ostensible purpose of the Motion is to attack the procedural propriety of information and argument contained in the Reply. However the vast bulk of the Motion consists of a so-called "Limited Surreply" that takes the very same "second bite of the apple" which it accuses Service Electric of having improperly taken in the Reply. Indeed, the Motion is little more than a poorly veiled re-argument of the contention already made in the Opposition that Service Electric failed to meet the pleading requirements in 76.59(b).

Service Electric would be fully justified in filing its own Motion to Strike the Motion as improper and an unauthorized attempt to extend the pleading cycle so as to have the "last say." However, out of respect for administrative efficiency and to afford the Commission the opportunity to decide the matter expeditiously, rather than raise this additional issue, Service Electric will merely address the matter raised in the Motion. ²

<u>Violate the Communications Act</u> – As Service Electric showed in its Reply, there is no basis to dismiss the market modification Petition. ³ Yet, even if Western Pacific was correct that the Petition was insufficient, the sole remedy would be to dismiss the Petition pursuant to §76.59(c) and to allow Service Electric to re-file. ⁴ However, since the record has been fully developed, such a dismissal would be a gross waste of Commission resources and would only delay

² Even though Service Electric is not presenting any additional information herein, it is constrained to take issue with the contention, at note 14 of the Motion, that Western Pacific's Opposition had been properly supported by the affidavit required by § 76.6(b)(1). To repeat the single example already given at n. 9 of the Reply, Western Pacific premised an entire major section of its Opposition on the equitable ground of difficulties it claims to have faced obtaining a "lucrative network affiliation" and meeting the "considerable expense" it incurred in buying the station (Opposition at 21-2). None of these aversions is supported by a declaration of a knowledgeable individual and thus, consistent with Western Electric's notions of insistence upon strict procedural observance, cannot be credited. In that context, it should be noted that the present Opposition requires no declaration, as it presents no new facts.

³ Reply at 3-7.

⁴ Reply at 12 and n. 31.

resolution of whether the Communities are properly within the market of a station that is at the far opposite end of a sprawling DMA. ⁵

If the Commission fails to adjust WACP's market it would be abdicating its obligations under Section 534(b)(1)(C)(i) of the Communications Act to determine WACP's market, based on viewing practices using commercially available publications. ⁶ This obligation to appropriately delineate a station's market is triggered by a request, which has been duly made by Service Electric, and is not dependent upon the showing contained in the request, but rather is to be evaluated on the existence or non-existence of the four statutory factors. ⁷

<u>The Record</u> – The record in this matter is clear and undisputed as to each of the four statutory factors which the Commission is bound to consider:

1. There is no **historical carriage**. WACP has not been carried in any of the Communities except by a competing cable system as the result of settlement of a must carry complaint, which does not constitute "historical carriage" for purposes of the must-carry rules. ⁸ Similarly, the station has never been carried elsewhere in the region except as a result of the settlement of a must carry complaint. ⁹ Accordingly,

While Western Pacific accuses Service Electric of delaying tactics, grant of the relief that Western Pacific seeks (dismissal of the Petition) would have an even greater adverse impact, as § 76.59(c) of the rules, upon which it relies, requires that dismissal be without prejudice and expressly authorizes re-filing merely upon payment of another filing fee. Consequently, it would seem to serve Western Pacific's interests far better to let the present pleading cycle come to an end and enable the staff to decide the matter on the merits based on the current record rather than to enable (much less encourage) Service Electric to begin a brand new procedure. Put another way, if Western Pacific truly believes that the record as it now stands is insufficient to support the relief Service Electric seeks, then it should be confident that the staff will deny relief on that basis.

⁵ The distance between the closest Community and WACP's city of license is 113.9 road miles and entails an estimated driving time of over 2 ½ hours (Reply at 5 and Exhibit 3).

⁶ Reply at 12.

⁷ The factors set forth at §534(h)(1)(c)(ii)(I-IV) of the Communications Act are: (1) whether the station or other stations located in the same area have been historically carried; (2) whether the station provides coverage or other local service; (3) whether other stations carried by the system provide news coverage of issues important to the community or provide coverage of sporting or other events of interest to the community; and (4) whether the station is viewed in cable and non-cable homes in the communities.

⁸ Reply at 11.

⁹ Reply at 11.

removal of the Communities from WACP's market will not disrupt historical viewing patterns nor will it deny viewers access to programs that they have been receiving. The only other station licensed to Atlantic City (WACP's city of license) is WWSI, and the FCC already has determined that the Communities were not part of its market. ¹⁰

- 2. WACP provides neither physical **coverage** nor local **service**. The bulk of the subject cable system, as well as its headend, lies well outside the relevant WACP noise-limited service contour. ¹¹ Even within the contour, the WACP signal cannot be received. ¹² Examination of WACP's issues/programs lists and children's programming reports revealed nothing oriented to the Communities. ¹³ Despite ample opportunity, nowhere in its Opposition, Motion or otherwise has Western Pacific ever disclosed any plan to orient any of its programming toward the Communities.
- 3. The Communities are well served by **other stations** that provide local coverage of issues of importance to the Communities. Other stations licensed to Pennsylvania communities in the Philadelphia DMA provide coverage of local issues; paramount among them is WFMZ-TV, known as "News 69," a predominantly news and information station licensed to Allentown, Pennsylvania (one of the Communities).¹⁴
- 4. There is no evidence of any **viewing pattern** for WACP in either cable or non-cable homes in the Communities. Current editions of industry publications state that no audience data is available for WACP. ¹⁵ Western Pacific has failed to provide any such data that it might have. The local newspaper does not include WACP in either its print or on-line channel listings. ¹⁶

¹⁰ Reply at 10. Although WACP claims that WWSI is an in-market station for the Communities (Motion at 15), this claim is contrary to the Commission's specific finding that WWSI was **not** an in-market station for the Communities. *See: Petition for Modification of Television Stations*, 19 FCC Rcd 2609 (2004), cited in Service Electric's Reply at 3. WACP's further contention that for market modification purposes how a system receives a signal is not relevant (Motion at 15) is also contrary to Commission precedent. *See: Comcast Cablevision of Monmouth*, 11 FCC Rcd 6426 (FCC 1996) at ¶ 12 (cited in Service Electric's Reply at 9), which clearly states that a different standard applies in market modification cases.

¹¹ Petition, Exhibit B.

¹² Petition at 7 and Exhibit H; Reply at 9 and Exhibit 5.

¹³ Petition at 5-6 and Exhibit D.

¹⁴ Petition at 9 and Exhibit F.

¹⁵ Reply at 7. Warren Publishing's *TV Factbook* shows no Nielsen TV & Cable households for the communities because WACP registered viewing of less than the Nielsen survey method's threshold of 5%.

¹⁶ Petition at 6 and Exhibit G.

Pursuant to § 534(h)(C) of the Communications Act, the record in this proceeding mandates that the Communities be removed from WACP's market. The Commission cannot ignore the very clear record in light of its statutory obligation.¹⁷ Therefore dismissal of Service Electric's Petition for Special Relief would not only be a waste of Commission resources, but it would be contrary to the clear mandate of the Communications Act.

<u>Sufficiency of the Petition</u> – The Petition was sufficient to warrant the relief it requested and in neither its Opposition nor its recent "Surreply" has Western Pacific rebutted the substance of Service Electric's contentions nor demonstrated that the Communities are properly within WACP's market.

To the extent that the subject Motion urges the Commission to reject Service Electric's Petition for ostensibly failing to present a sufficient case, it is wholly superfluous, as Western Pacific had already extensively argued that very position throughout its Opposition. ¹⁸ In response to that allegation, Service Electric not only devoted a significant portion of its Reply to a demonstration that it had fulfilled its obligation, but further responded by clarifying several areas which Western Pacific had professed to be insufficiently specific. ¹⁹ Even so, at the risk of further belaboring the point, since the Motion seeks to reargue this matter, it is worth summarizing the timeliness and sufficiency of the proof proffered by Service Electric:

• <u>Maps</u> – As stated in the Reply (at 4-5), Exhibit B of the Petition depicted the WACP transmitter site, community of license and contours relative to the Service Electric headend and the region within which the Communities are located (and the scale clearly depicted the distances involved), and Exhibit C depicted the

¹⁷ The Commission may not waive the requirements of the statute. *See, e.g., Community Cablevision Company d/b/a Dimension Cable Services,* 10 FCC Rcd 3274 (CSB 1995) at ¶ 17.

¹⁸ Opposition, at pp. 3-6, 8, 9, 10 (n. 19), 17-18, 19, 21.

¹⁹ In that regard, the Reply was entirely proper, as each element that Western Pacific characterizes as "new" in fact related to a matter first raised in the Petition and which Western Pacific had challenged in its Opposition. *See, e.g., Comcast Cablevision of Mercer County, Inc.*, 15 FCC Rcd 7260 (Cable Services Bureau, 2000) at ¶ 7.

intervening terrain. In response to Western Pacific's professed concern over geographic coordinates and distances of each community from the WACP transmitter site (Opposition at 3-4), Service Electric provided a table with that information, together with a more detailed map of the Communities (Reply at 4-5 and Exhibits 1, 2 and 3). ²⁰

- <u>Historical Carriage</u> Although Western Pacific faults Service Electric for having omitted mention in the Petition of carriage of WACP on certain other area cable systems (Opposition at 8-12), it is clear that "historic carriage" in § 76.59(b)(5) refers to carriage "in the communities at issue." ²¹ Thus, Service Electric had no obligation to discuss carriage of WACP in adjacent areas. If Western Pacific felt that was a relevant factor, as it apparently does, then it was free to raise it in its Opposition, as, indeed, it did, and Service Electric was entitled to rebut that contention in its Reply, as it did as well.
- Carriage of WWSI Similarly, Western Pacific attempts to fault the Petition for having omitted mention of Service Electric's carriage of WWSI, Atlantic City (Motion at 13-15). Here, too, nothing in § 76.59(b) so requires. Rather, if this was a factor that Western Pacific wished the Commission to consider, it was free to raise it, and indeed it did in its Opposition at 16-17. Then, Service Electric was entitled to address it in its Reply, as it did. ²²
- <u>Technical Integration</u> Finally, Western Pacific contends that the issue of technical integration of the single cable system at issue here was "newly raised" in the Reply and thus was improper (Motion at 15-17). On the contrary, the list of affected Communities that was included as Attachment A to the Petition specified the same PSID (001711) for each Community, and thus clearly indicated that a single, technically-integrated cable system was at issue.²³

²⁰ Service Electric's Reply provided the coordinates of each Community even though such information is not required by § 76.59(b) of the Commission's rules upon which the Opposition's assignment of error was expressly based.

²¹ See, e.g., Comcast Cable Communications, LLC, 16 FCC Rcd 14453 (MB 2011) at ¶ 15.

²² Here and elsewhere, Western Pacific confounds responsibility for the presentation of evidence. Even if it were correct that Section 76.59(b), upon which it premises its allegations of insufficiency in the Petition, requires a petitioner to provide every element listed there, rather than only those relevant to its request for relief (but *see* Reply at 3-4), this particular matter (carriage of other stations) arises only among the four statutory factors that the Commission is bound to consider (in § 614(h)(1)(C)(ii) of the Communications Act). As the statute is silent as to the burden of introduction, information such as that, which would tend to support the position of a station seeking to expand its carriage, can be raised by either party – or neither, as § 614(h)(1)(C)(i) authorizes the Commission itself to resort to the use of industry publications to determine television markets based on viewing patterns. Thus, there was nothing improper in Western Pacific first raising this matter in its Opposition, rather than by Service Electric in its Petition.

²³ Curiously, while generally insisting that no information raised in the Reply be considered, Western Pacific asks that the Commission consider this one piece of "new evidence" (Motion at 2), although it declines to suggest why

In view of the foregoing, it is clear that Western Pacific has failed to provide any valid reason why any of the information and material submitted in Service Electric's Reply should be stricken.²⁴ Rather, the information its Motion seeks to suppress was all provided in response to allegations made in the Opposition, and thus was entirely proper. Indeed, Western Pacific is hardly in a position to claim any prejudice insofar as it has availed itself of an (unauthorized, albeit failed) opportunity in its "surreply" to rebut all the ostensibly "new" information.

Lack of Prejudice to Western Pacific — Western Pacific's claim that it was somehow prejudiced by the development of the record can be given no weight. It is significant that Western Pacific squandered its "surreply" by re-arguing its claim that the Petition was deficient rather than trying to refute the clear evidence in the record that: there is no historical carriage; WACP provides no local service; other stations provide local programming while WACP does not; and there is no local viewership of WACP. If Western Pacific had contrary evidence, it was obligated to have submitted it.

Rather, Western Pacific has not even attempted to rebut the following crucial matters presented by Service Electric in support of relief:

- The absence of a receivable signal, not only at Service Electric's headend, but at four representative locations well within the WACP noise-limited contour. ²⁵
- The complete dearth of any current or even anticipated future programming of relevance or interest to the Communities. ²⁶

this particular exception should be made. Instead, it uses this self-evident fact of an integrated cable system as a springboard to launch a lengthy yet irrelevant discussion of copyright issues (Motion at 15-18).

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²⁴ Western Pacific cites no cases or other support for its request to strike. Indeed, a review of reported cases suggests that none is applicable; rather, motions to strike appear to have been granted only against untimely pleadings. Moreover, the first of the two cases Western Electric cites at n. 6 of its Motion in support of acceptance of its surreply serves to defeat its motion to strike, as it favors acceptance of *all* pleadings to establish a complete record. *Mediacom Delaware LLC*, 26 FCC Rcd 3668 (2011) at ¶ 9.

²⁵ Petition at 7 and Exhibit H; Reply at 9 and Exhibit 5.

- The absence of any audience data that would indicate that WACP is viewed by non-cable subscribers in the Communities. ²⁷
- The absence of any social or economic nexus between Atlantic City (WACP's city of license) and the Communities. ²⁸

WACP claimed an opportunity in the Motion to dispute the facts in the record but instead merely re-argued its Opposition. Therefore WACP cannot claim to have suffered any injury from the clarifications and amplifications contained in Service Electric's Reply. This is especially true since the submittals in the Reply were direct responses to matters raised in the Opposition – and hence by definition were not new matters – and clarifications of information already available to the Commission and Western Pacific. Therefore, there can be no valid basis for a claim that this was "new" material.

Conclusion – In light of all the foregoing, the Commission can only conclude on the basis of the record created by both parties that there is no basis upon which WACP can be deemed "local" in terms of its technical or programming service, nor can it be deemed a meaningful part of the relevant geographic market and thus entitled to carriage in the Communities. On the contrary, Western Pacific is asking the Commission to ignore the record before it which proves that the Service Electric Communities are not properly within WACP's DMA. Should the Commission ignore the record and the clear mandate of the Communications Act, it will pervert the statutory purpose of the must-carry provisions of the Act and permit WACP to artificially become a regional superstation from a remote corner of the Philadelphia DMA.

²⁶ Petition at 5-6; Reply at 10.

²⁷ Petition at 6, 9; Reply at 7.

²⁸ Petition at 5, 8; Reply at 5.

In addition, mandating carriage will be at the severe cost of wasting limited spectrum and thereby impairing the provision of broadband service to Service Electric's subscribers, which would be at express odds with the Middle Class Tax Relief and Job Creation Act of 2012, the conclusions of the 2009 American Recovery and Reinvestment Act and the FCC's National Broadband Plan. 29

Consequently, for the reasons stated herein and in its Petition and Reply, Service Electric respectfully requests that the Commission modify the WACP(TV) television market to exclude the Communities.

Respectfully submitted,

SERVICE ELECTRIC CABLE TELEVISION, INC.

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May 16, 2013

Western Pacific's must-carry complaint, which, pursuant to Commission practice, should be consolidated with the Petition (filed on the same date) and its associated pleadings. See Petition at 4, n. 7.

²⁹ Pub. L. No. 112-96, 125 Stat. 156 (2012); 47 U.S.C. § 309(j)(8)(G)(i); Pub. L. No. 111-5, 123 Stat. 115 (2009); 24 FCC Rcd 4342 ((2009) http://www.broadband.gov/download-plan/). Lest Western Pacific be tempted to protest that this is a "new" matter, it is not, as it was raised at page 7 of Service Electric's February 11, 2013 Opposition to

CERTIFICATE OF SERVICE

Peter Gutmann, an attorney with the law firm of Womble Carlyle Sandridge & Rice, LLP, does hereby certify that a true and correct copy of the foregoing "Opposition to Motion to Strike and Limited Surreply" was served by U.S. mail, first class, postage-prepaid on the 16th day of May, 2013, on the following:

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